

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

Grand Jury N-18-2

UNITED STATES OF AMERICA

Criminal No. 3:18CR 43 (JCH)

v.

JOHN T. FINKLE III,
STEVEN C. GOLD, and
KENNETH J. PEDROLI

VIOLATIONS:
18 U.S.C. § 1349
(Conspiracy to Commit Mail and Wire
Fraud)

18 U.S.C. § 1341
(Mail Fraud)

18 U.S.C. § 1343
(Wire Fraud)

INDICTMENT

The Grand Jury charges:

COUNT ONE

(FINKLE, GOLD, and PEDROLI)
(Conspiracy to Commit Mail and Wire Fraud)

Background

1. At all times relevant to this Indictment, JOHN T. FINKLE III (hereinafter “FINKLE”) and STEVEN C. GOLD (hereinafter “GOLD”) were employed by Company A, a supplier of electronic components based in Waukegan, Illinois. As part of its business practice, Company A maintained a website that listed its products and prices.

2. At all times relevant to this Indictment, FINKLE resided in East Haven, Connecticut and GOLD resided in Pleasant Prairie, Wisconsin. FINKLE was primarily employed in sales for Company A and was based in Connecticut, while GOLD operated the accounting and billing systems for Company A and was based in Illinois.

3. At all times relevant to this Indictment, KENNETH J. PEDROLI (hereinafter “PEDROLI”) resided in New York and purchased electronic components from Company A for a

business he operated in Islandia, New York.

The Conspiracy

4. From in or about February 2015 until in or about December 2018, in the District of Connecticut and elsewhere, JOHN T. FINKLE III, STEVEN C. GOLD and KENNETH J. PEDROLI (collectively, “the defendants”), with the intent to defraud, conspired, combined, confederated, and agreed with each other to commit mail fraud, in violation of Title 18, United States Code, Section 1341, and wire fraud, in violation of Title 18, United States Code, Section 1343, that is, to devise a scheme and artifice to defraud and obtain money by means of materially false and fraudulent pretenses, representations, and promises, and in furtherance of that scheme and conspiracy used and caused the use of the mail and interstate wire communications. As set forth below with more particularity, the scheme involved the defendants defrauding Company A with respect to purchases made by PEDROLI from Company A.

5. The purpose of the conspiracy was for the defendants to enrich themselves at the expense of Company A.

Manner and Means

6. As part of the scheme to defraud, FINKLE secured orders from PEDROLI for products sold by Company A. FINKLE instructed PEDROLI to place his orders and list prices at a fraction of Company A’s published price.

7. As part of the scheme to defraud, after FINKLE submitted PEDROLI’s order to Company A at the discounted price, the products would be shipped from Company A to PEDROLI. Company A generated an invoice billing PEDROLI’s company for the discounted purchase price of the products.

8. Further, as part of the scheme to defraud, FINKLE instructed PEDROLI to pay only

a portion of the invoiced price and to make the payments directly to him (FINKLE) in Connecticut. In each instance, PEDROLI wrote a check for a portion of the invoiced price, made the check payable to FINKLE, and mailed the check to FINKLE in Connecticut.

9. Further, as part of the scheme to defraud, FINKLE deposited the check he received from PEDROLI into his (FINKLE's) personal bank account and used the proceeds for his own benefit.

10. Further, as part of the scheme to defraud, FINKLE and GOLD discussed the current pending invoices for PEDROLI's orders. FINKLE instructed GOLD to apply fictitious credits to the invoices in order to reduce the amount of money PEDROLI owed Company A. After GOLD applied the fictitious credits, FINKLE mailed a check to GOLD in order to compensate him for his role in the scheme. GOLD deposited these funds in his personal bank account and used them for his own benefit.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
(PEDROLI)
(Mail Fraud)

11. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

12. On or about August 9, 2016, for the purpose of executing the above-described scheme and artifice to defraud, defendant KENNETH J. PEDROLI knowingly used and caused the use of the United States Mail, that is, PEDROLI knowingly mailed and caused to be mailed check #7400 for \$26,596.65 to FINKLE.

In violation of Title 18, United States Code, Section 1341.

COUNT THREE
(FINKLE)
(Wire Fraud)

13. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

14. On or about August 11, 2016, for the purpose of executing the above-described scheme and artifice to defraud, defendant JOHN T. FINKLE III knowingly caused the interstate wire transmission of certain signs, signals, and sounds, that is, the interstate transfer of \$26,596.65 caused by FINKLE's deposit of check #7400 that he received from PEDROLI.

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR
(GOLD)
(Wire Fraud)

15. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

16. On or about August 22, 2016, for the purpose of executing the above-described scheme and artifice to defraud, defendant STEVEN GOLD knowingly caused the interstate wire transmission of certain signs, signals, and sounds, that is, the interstate transfer of \$11,150.00 caused by GOLD's deposit of check #995005 that he received from FINKLE.

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE
(PEDROLI)
(Mail Fraud)

17. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

18. On or about September 21, 2016, for the purpose of executing the above-described

scheme and artifice to defraud, defendant KENNETH J. PEDROLI knowingly used and caused the use of the United States Mail, that is, PEDROLI knowingly mailed and caused to be mailed check #7454 for \$24,230.70 to FINKLE.

In violation of Title 18, United States Code, Section 1341.

COUNT SIX
(FINKLE)
(Wire Fraud)

19. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

20. On or about September 23, 2016, for the purpose of executing the above-described scheme and artifice to defraud, defendant JOHN T. FINKLE III knowingly caused the interstate wire transmission of certain signs, signals, and sounds, that is, the interstate transfer of \$24,230.70 caused by FINKLE's deposit of check #7454 that he received from PEDROLI.

In violation of Title 18, United States Code, Section 1343.

COUNT SEVEN
(GOLD)
(Wire Fraud)

21. Paragraphs 1 through 10 of this indictment are reincorporated as if fully set forth herein.

22. On or about September 30, 2016, for the purpose of executing the above-described scheme and artifice to defraud, defendant STEVEN GOLD knowingly caused the interstate wire transmission of certain signs, signals, and sounds, that is, the interstate transfer of \$11,750 caused by GOLD's deposit of check #996006 that he received from FINKLE.

In violation of Title 18, United States Code, Section 1343.

A TRUE BILL

/s/

FOREPERSON

UNITED STATES OF AMERICA



JOHN H. DURHAM
UNITED STATES ATTORNEY



RAY MILLER
ASSISTANT UNITED STATES ATTORNEY